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15 May 1947

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MEMORANDUM FOR THE DIRECTOR, CIG

Subject: Background Papers on Development of CIG

- l. It is not commonly recognized that the conception of a centralized intelligence service for the United States Government has a relatively long history. The establishment of the National Intelligence Authority in January 1946 was the culmination of discussions and studies which had been going on for nearly two years.
- might be derived from collecting in one place a selection of the most pertinent background papers. They will at least demonstrate that the idea of centralized intelligence is not novel, that the existing system is the outgrowth of searching studies on the part of exceedingly diverse participants possessing widely divergent motivations, and that therefore further new investigations might be expected to be entirely superfluous.
- 3. The papers in this collection are selected from more voluminous files which, although they have some bearing on the subject, provide either unnecessary duplications or make no real contribution to the development of the idea. Actually many of them are interesting for the sidelights they throw on the difficulties which had to be overcome in moving the plans along at all, but they would be apt to detract attention from the central idea had they been included.
- 4. There are two papers which have been omitted because they were not available in the files at my disposal. These two papers are JIC 239/5 and the amended JCS 1181/5 dated 19 September 1945. Presumably these can be obtained from the JCS. They should be included here because they present in almost final form the outline of the National Intelligence Authority and the CIG.
- 5. Mr. Houston has looked over this collection, and suggests that in the event of detailed legislative discussion of CIA the answers to many questions may be found here.

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THE BASIS FOR A PERMANENT UNITED STATES FOREIGN INTELLIGENCE SERVICE

This document, dated 10 October 1944 was drafted by General Donovan and was presented to President Roosevelt. The latter showed it to some individual, identity unknown, who took a very pour view of the idea and offered to run a better and cheaper service himself. The President sent this comment back to Donovan with a very brief covering note dated 31 October. In this note, mentioned in the next succeeding communication from Donovan, he asked Donovan to continue thinking about postwar intelligence organization.

It is interesting to note that even in this first official formulation most of the salient ideas which came all the way through to the Presidential Directive of 22 January 1946 were already present.

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THE BASIS FOR A PERMANENT, UNITED

STATES FOREIGN INTELLIGENCE SERVICE

The formulation of national policy, both in its political and military aspects, is influenced and determined by knowledge of the aims, policies and activities of other nations.

All major powers have had, for a long time past, permanent, world-wide secret intelligence services, reporting directly to the highest echelons of their governments.

Prior to the present war, the United States had no adequate secret intelligence service and no over-all intelligence organization.

The dangers of this situation have been generally recognized and must be remedied. For the future, provision must be made for an uninterrupted flow of intelligence, in peace as in war, so that American policy may be based on foreign situations and developments as seen and interpreted by Americans.

What is needed is an organization which will procure intelligence both by overt and covert methods and will at the same time provide intelligence guidance, determine national intelligence objectives and correlate the intelligence material collected by all government agencies.

Experience teaches that the establishment of such an organization should be based on the following principles:

- 1) That there should be <u>a central</u>, over-all Foreign Intelligence Service which (except for specialized intelligence pertinent to the operations of the armed services and certain other government agencies) could serve objectively and impartially the needs of the diplomatic, military, economic and propaganda services of the government.
- 2) That such a Service should not operate clandestine intelligence within the United States.
- That it should have no police function and should not be identified with any law-enforcing agency, either at home or abroad.

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- 4) That the operations of such a Service should be primarily the collection, analysis and dissemination of intelligence on the policy or strategy level.
- 5) That such a service should be under a highly qualified Director, appointed by the President, and be administered under Presidential direction.
- 6) That, subject to the approval of the President, the policy of such a Service should be determined by the Director, with the advice and assistance of a board on which the Department of State and the Armed Services should be represented.
- 7) That such a Service, charged with collecting intelligence affecting national interests and defense, should have its own means of communication and should be responsible for all secret activities, such as:
 - a) Secret Intelligence
 - b) Counter-espionage
 - c) Crypto-analysis
 - d) Clandestine subversive operations
- 8) That such a Service be operated on both vouchered and unvouchered funds.
- 9) That such a Service have a staff of specialists, professionally trained in analysis of intelligence and possessing a high degree of linguistic, regional or functional competence, to evaluate incoming intelligence, to make special reports, and to provide guidance for the collecting branches of the agency.
- 10) It is not necessary to create a new agency. The nucleus of such an organization already exists in the Office of Strategic Services. It has the trained personnel, the foreign contacts, the administrative organization and the operating experience necessary to enable it to do this job effectively and without loss of time in getting started.

